



MEDIA RELEASE

**Minister for Environment and Heritage Protection
The Honourable Andrew Powell**

Cougar Energy fined \$75,000 for breaching Environmental Protection Act

Cougar Energy Pty Ltd has been fined \$75,000 in the Brisbane Magistrates Court over the rupture of a production well which resulted in groundwater contamination 10 kilometres south of Kingaroy in 2010.

The company pleaded guilty to three breaches of the *Environmental Protection Act 1994*.

Environment and Heritage Protection Minister Andrew Powell said the sentence related to the rupture of a production well in the early stages of Cougar's underground coal gasification (UCG) pilot trial.

"The issue of water contamination is very serious and this fine reflects the importance of meeting strict environmental conditions," Mr Powell said.

"Cougar failed to properly install the production well to a standard necessary to ensure compliance with its environmental authority.

"As a result, Cougar released the UCG contaminants of benzene and toluene to groundwater, and failed to notify the department of the contamination within a reasonable timeframe.

"Mining companies have an obligation to notify the State Government of an incident as soon as possible, as the protection of our environment and communities is paramount."

In October 2009, Cougar constructed a UCG gas production well. A blockage of the well occurred shortly after Cougar commenced its UCG burn in March 2010.

In May and June 2010, Cougar detected benzene and toluene in two of its groundwater monitoring bores.

Cougar received confirmation of these sample results on 7 June 2010, but failed to notify the department of the releases until 30 June 2010.

The company is required under its current environmental authority to decommission and rehabilitate its UCG cavity.

Cougar is one of three UCG pilot operations in Queensland.

As part of the UCG pilot trial, the other two trial participants will also need to demonstrate successful decommissioning of their UCG cavities.

No conviction was recorded against Cougar and the company was ordered to pay \$40,000 in legal and investigation costs.

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Media contact: Brooke Hargraves 0458 689 043